

ILLINOIS

ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION	:	
ON ITS OWN MOTION	:	00-0337
- VS -	:	00-0338
CONSUMERS ILLINOIS WATER COMPANY	:	00-0339
	:	(Consolidated)
Proposed general increase in water rates	:	

AFFIDAVIT OF ROY A. KING

STATE OF ILLINOIS	:	
	:	SS
COUNTY OF SANGAMON	:	

I, Roy A. King, being duly sworn on oath state that I am the same Roy A. King identified in the following exhibits:

ICC Staff Exhibit 6.00 (direct testimony consisting of a cover page and 8 pages of text in question-and-answer form) and

ICC Staff Exhibit 13.00 (rebuttal testimony consisting of a cover page; 4 pages of text in question-and-answer form; and Schedules 13.01, 13.02, 13.03, 13.04, 13.05, 13.06, 13.07, 13.08, and 13.09);

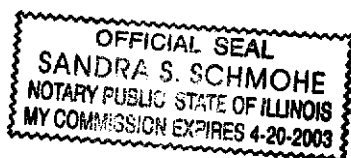
that I have prepared the above exhibits and am familiar with the contents thereof; and that the above exhibits are true and correct to the best of my knowledge as of the date hereof.

Further affiant sayeth not.

Roy A. King

SUBSCRIBED AND SWORN to before
me this 14th day of November, 2000.

Sandra S. Schmohe
NOTARY PUBLIC



OFFICIAL FILE
I.C.C. DOCKET NO. 00-0337-00-0339
STAFF Exhibit NO. 6.0 & 13.0
Witness King
Date 11/17/00 for

Docket Nos. 00-0337/00-0338/00-0339 Consolidated
ICC Staff Exhibit 6.00

DIRECT TESTIMONY

of

ROY A. KING

WATER DEPARTMENT

FINANCIAL ANALYSIS DIVISION

ILLINOIS COMMERCE COMMISSION

CONSUMERS ILLINOIS WATER COMPANY

DOCKET NO. 00-0337/00-00338/00-0339

CONSOLIDATED

August 31, 2000

1 Q. Please state your name and business address.

2 A. My name is Roy A. King. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois, 62701.

4

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Illinois Commerce Commission (Commission) as a Economic
7 Analyst in the Water Department of the Financial Analysis Division (FAD).

8

9 Q. How long have you been employed by the Commission?

10 A. Since August of 1979.

11

12 Q. Will you please briefly state your qualifications?

13 A. I graduated from Chicago Technical College in 1970 with a Bachelor of Science
14 degree in Architectural Engineering.

15

16 From 1970 to May 1979, I served with the U.S. Navy. My assignments included
17 those of Maintenance Supervisor, Instructor, Counselor for a Drug and Alcohol Pro-
18 gram, and managing a division of 30 men and its related equipment. Since August
19 1979, I have been continuously employed by the Commission. Until mid-1982, I was
20 assigned to the Public Utilities Division, Engineering Department, Gas and Electric
21 Section as a Utility Engineer. My duties were to assist the Chief Gas Engineer and
22 the Chief Engineer in the administration of all engineering matters associated with
23 the regulation of privately owned gas and electric utilities in the State of Illinois.

24 During this period, my duties included (1) evaluating rate filings and rules and regu-
25 lations filings, (2) assisting the Consumer Services Division, upon request, in han-
26 dling investigations and correspondence relating to electric and gas inquiries and
27 complaints, (3) evaluating testimony presented by the utilities and conducting cross-
28 examination, (4) testifying on behalf of Staff in applications for Certificates of Con-
29 venience and Necessity (Certificates), rate proceedings and other formal cases
30 which contain issues requiring review by the Engineering Department, and (5) proc-
31 essing other work as directed by the Chief Engineer.

32
33 In 1982, Staff functions were reorganized and I was assigned to the Water and
34 Sewer Section within the Engineering Department. My duties were very similar to
35 those previously described, except that I worked on matters associated with water
36 and sewer utilities.

37
38 In November of 1992, engineering and rate matters for water and sewer utilities
39 were transferred to the Office of Policy and Planning (OPP) and I was assigned to
40 OPP. My duties include (1) evaluating rate schedule filings, and rules and regula-
41 tions filings, (2) assisting the Consumer Services Division, upon request, in handling
42 inquiries and complaints, (3) evaluating testimony presented by the utilities and
43 conducting cross-examination, (4) testifying on behalf of Staff in applications for
44 Certificates, rate proceedings, and other formal cases which contain issues requir-
45 ing review by OPP, and (5) reviewing cost-of-service studies for the water and
46 sewer utilities when so assigned. In 1997, Staff's functions were reorganized and I

47 was assigned to the Rates Department within FAD (formerly Public Utilities Divi-
48 sion). In 2000, Staff's functions were reorganized forming a Water Department and
49 I was assigned to the Water Department. My duties are the same as those previ-
50 ously described.

51
52 Since being employed by the Commission, I have received an Associates Degree
53 in Business Administration from Lincoln Land Community College, Springfield, Illi-
54 nois, and in 1985, I received a Bachelor of Arts Degree in Management from the
55 University of Illinois, Springfield (formerly Sangamon State University), Springfield,
56 Illinois.

57
58 In addition, I have attended a number of courses regarding utility regulation,
59 including several sponsored by the National Association of Regulatory Utility Com-
60 missioners (NARUC). I completed a one-week utility rate seminar co-sponsored by
61 the NARUC Water Committee and the University of Utah Center for Continuing
62 Education. I have also completed a course in Sewage Treatment Plant Operations
63 which was sponsored by the Environmental Training Resource Center at Southern
64 Illinois University and three courses in depreciation practices which were sponsored
65 by Depreciation Programs, Inc.

66
67 **Q. Are you a member of any professional organizations?**

68 **A.** Yes, I am a member of the Illinois Potable Water Operator's Association, Illinois
69 Section of the American Water Works Association and American Water Works As-

sociation.

Q. What is the purpose of these proceedings?

A. Consumers Illinois Water Company ("CIWC" or "Company") has filed revised tariff sheets seeking a general increase in water rates in its Kankakee, Vermilion and Woodhaven service areas. The proposed increases are designed to increase annual revenues by approximately 19.1%, 21.75%, and 57.7%, respectfully.

Q. What is your assignment in this case?

A. I was assigned by the Director of the Water Department to participate on behalf of the department to examine CIWC's filing to assess the reasonableness of its request for increases in water rates. Specifically, I am responsible for presenting testimony concerning the reasonableness of the proposed depreciation rates presented by the Company's witness Mr. John M. Guastella.

DEPRECIATION

Q. Are you familiar with the testimony and exhibits of Mr. Guastella concerning depreciation rates being proposed by CIWC for the water facilities in Kankakee, Woodhaven and Vermilion?

A. Yes, I have personally reviewed the testimony and exhibits presented by Mr. Guastella.

92 **Q. Have you previously performed any depreciation studies and/or testified**
93 **and recommended depreciation rates?**

94 **A. I participated in the following dockets which included requests for approval of**
95 **depreciation rates:**

96	Illinois-American Water Company	-Docket No.	92-0116;
97	Consumers Illinois Water Company	-Docket Nos.	95-0307; and
98			95-0342 (Consolidated);
99	Citizens Utilities Company of Illinois	-Docket No.	94-0481;
100	Northern Illinois Water Corporation	-Docket No.	97-0254;
101	Consumers Illinois Water Company	-Docket No.	98-0632;
102	Consumers Illinois Water Company	-Docket No.	99-0258; and,
103	Illinois-American Water Company	-Docket No.	00-0340.

104

105

106 **Q. What analysis did you perform of the depreciation rates being proposed by**
107 **Mr. Guastella?**

108 **A. I analyzed CIWC's depreciation rates generally, emphasizing plant service lives and**
109 **net salvages. In this instance, the Company does not have sufficient plant retire-**
110 **ment experience to permit a simulated plant balance method for estimating the**
111 **service life or the net salvage values. Therefore, I examined the average service**
112 **lives and salvage values of other companies with reasonably comparable facilities,**
113 **for which I had previously performed similar depreciation studies to determine the**
114 **appropriated service lives and salvage values for this depreciation study. Also, I re-**
115 **viewed the information used by Mr. Guastella in calculating his proposed deprecia-**
116 **tion rates and checked several accounts using the Average Service Life Method.**

117

118 **Q. Could you please describe the Average Service Life Method.**

119 A. The Average Service Life Method (ASL) recovers the original cost adjusted for net
120 salvage over the average life of the plant, according to the following formula:

121
$$\frac{\text{Original cost minus Salvage}}{\text{Average Service Life (yrs.)}} = \text{Annual Depreciation Rate}$$

124 Q. How do the rates proposed by CIWC compare with the rates approved by
125 the Commission in the similar cases you considered?

126 A. The depreciation rates proposed are consistent with the average service lives and
127 net salvage values that were approved for the CIWC, Northern Illinois Water Corpo-
128 ration, and Illinois-American Water Company dockets previously mentioned.

129 Q. In your opinion is the Company's request to raise the annual depreciation
130 rates from an overall composite rate of 2.94% to 3.13% for Kankakee, 3.07%
131 to 3.20% for Vermilion and 2.00% to 3.25% for Woodhaven as set forth in
132 CIWC's Exhibit 8.1, Schedules 2, 3 and 4 respectively, appropriate?

133 A. Overall the depreciation rates recommended by Mr. Guastella appears to be
134 appropriate. However, it appears that Account 340 "Data Processing Equipment"
135 should be broken down into sub-accounts to be more sensitive to the service life
136 and retirement of computers and software.

137 Q. During your investigation in earlier Illinois-American Water Company and
138 Consumers Illinois Water Company rate proceedings, did you review any
139 other depreciation studies?

140 A. Yes; I consider the practice typical. In those cases, I reviewed depreciation studies
141 relating to Iowa-Illinois American Water Company, Kentucky-American Water Com-

pany, New Jersey Water Company, Consumers Illinois Water Company (formerly Inter-State Water Company) as well as the depreciation rates being utilized by Artesian Water Company, Inc. and Elizabethtown Water Company.

Q. Are you recommending that Account 340 "Data Processing Equipment" be broken down into sub-accounts to be more sensitive to the service life and retirement of computers and software?

A. Yes. I have recommended to the Commission's Accounting Department Staff that the Depreciation Expense for the Account 340 be calculated on the present composite rate until our investigation is completed. On August 24, 2000, asked in a data request to CIWC (RAK 7.00) that the following information be provided for Account 340:

	Date of Purchase	Original Cost Test Yr.	Depreciation Reserve Test Yr.
a) Office Furniture			
b) Personal Computers			
c) PC Software			
d) Mainframe Computers			
e) Mainframe Software			
f) Other Machinery & Equip.			

I also requested that the total of items (a) through (f) should be reconciled to the Company's test year rate base for Account 340. I recommend that the Company file this information as part of their rebuttal testimony.

Q. Do you support the Company's proposal to utilize separate rates for each primary account to calculate the depreciation expense?

171 A. Yes, I am recommending that the depreciation expense be calculated utilizing
172 separate rates for each primary account as set forth in the Company's Exhibit 8.1,
173 Schedules 2, 3, and 4, with the exception of account 340 "Data Processing Equip-
174 ment," which should be broken down into sub-accounts. In my opinion, separate de-
175 preciation rates for primary accounts are more sensitive to the service life and re-
176 tirement in a specific account than a composite rate. As such, rates by primary ac-
177 counts result in a more accurate allocation and recovery of depreciation expense.

178 Q. Does this conclude your Direct Testimony?

179 A Yes, it does.

REBUTTAL TESTIMONY

of

ROY A. KING

WATER DEPARTMENT

FINANCIAL ANALYSIS DIVISION

ILLINOIS COMMERCE COMMISSION

CONSUMERS ILLINOIS WATER COMPANY

DOCKET NO. 00-0337/00-00338/00-0339

CONSOLIDATED

October 26, 2000

1 Q. Please state your name and business address.

2 A. My name is Roy A. King. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois, 62701.

4
5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Illinois Commerce Commission (Commission) as a
7 Economic Analyst in the Water Department of the Financial Analysis Division
8 (FAD).

9
10 Q. Are you the same Roy A. King who previously submitted ICC Staff Exhibit
11 6.0 in the direct case?

12 A. Yes, I am.

13
14 Q. What is the purpose of your rebuttal testimony?

15 A. My rebuttal testimony is in response to the rebuttal testimony of the Company's
16 witness John M. Guastella. Specifically, I am responsible for presenting rebuttal
17 testimony and exhibits concerning Mr. Guastella's proposal concerning the de-
18 preciation rates for the sub-accounts to Account 340.

19
20 Q. Are you familiar with the testimony presented by Consumers Illinois Water
21 Company's (CIWC) witnesses Mr. John M. Guastella?

22 A. Yes, I have personally reviewed the testimony presented by Mr. Guastella.

23
24 Q. Based on Mr. Guastella's rebuttal testimony, does it appear that CIWC is

25 accepting the average service lives and net salvage values as set forth in
26 your response to the Company's data request 2.0 with exceptions for Main-
27 frame Computers and Software sub-accounts?

28 A. Yes.

29
30 Q. In his rebuttal testimony, Mr. Guastella recommends that the average
31 service life for mainframe computers and software should be 8 years for
32 both accounts. Do you support Mr. Guastella's recommendation?

33 A. Yes. Mr. Guastella's rebuttal testimony (page 4, lines 15 - 19) provides an
34 explanation detailing his discussion with a sales representative for mainframe
35 computers and software. Based on the information provided by the sales repre-
36 sentative and discussions with the Commission's Information Technology Serv-
37 ices (ITS), 8 years appears to be reasonable. The information provided by ITS
38 supports Mr. Guastella's explanation on page 4 of his rebuttal testimony.

39
40 Q. Have you recalculated the annual depreciation expense using the deprecia-
41 tion rates proposed by Mr. Guastella in his direct testimony and the rates
42 proposed for the sub-accounts to Account 340 for the Kankakee, Vermilion
43 and Woodhaven Divisions?

44 A. Yes. The depreciation expenses for the Kankakee, Woodhaven and Vermilion
45 Divisions are set forth on Schedules 13.01 through 13.09.

46
47 Q. I show you documents marked for identification as ICC Staff Exhibit 13.0,
48 Schedules 13.01 (Kankakee), 13.04 (Woodhaven) and 13.07 (Vermilion) and

ask you to identify these documents.

A. Schedules 13.01, 13.04 and 13.07 set forth the results of my depreciation study utilizing the Average Service Life (ASL) method to determine the depreciation rates for the water properties.

Q. I show you documents marked for identification as ICC Staff Exhibit 13.0, Schedules 13.02 (Kankakee), 13.05 (Woodhaven) and 13.08 (Vermilion) and ask you to identify these documents.

A. Schedules 13.02, 13.05 and 13.08 set forth the comparison between the present depreciation rates and the results of my depreciation study utilizing the ASL method. Under my proposed depreciation rates, I am recommending increases in the annual depreciation expense of \$79,130 (or 5.7%) for Kankakee and \$69,542 (or 86.7%) for Woodhaven as well as a similar decrease of \$75,538 (or 4.1%) for Vermilion.

Q. I show you documents marked for identification as ICC Staff Exhibit 13.0, Schedules 13.03 (Kankakee), 13.06 (Woodhaven) and 13.09 (Vermilion) and ask you to identify these documents.

A. Schedules 13.03, 13.06 and 13.09 set forth the comparison between Mr. Guastella's proposed depreciation rates and the results of my depreciation study utilizing the ASL method. Under my proposed depreciation rates, I am recommending decrease in the annual depreciation expense of \$46,575 (or 3.1%) for Kankakee, \$21,283 (or 12.4%) for Woodhaven and \$66,142 (or 3.6%) for Vermilion.

73

74 **Q. In developing your depreciation rates, did you continue to utilize the ASL**
75 **method?**

76 **A.** Yes. As explained in my direct testimony, the ASL recovers the original cost
77 adjusted for net salvage over the average life of the plant, according to the fol-
78 lowing formula:

79
$$\frac{\text{Original Cost minus Salvage}}{\text{Average Service Life (yrs.)}} = \text{Annual Depreciation Rate}$$

80
81

82 **Q. Do you support the Company's proposal to utilize separate rates for each**
83 **account to calculate the depreciation expense?**

84 **A.** Yes, I am recommending that the depreciation expense be calculated utilizing
85 separate rates for each account as set forth on Schedules 13.01, 13.04 and
86 13.07.

87

88 **Q. Does this conclude your Rebuttal Testimony?**

89 **A** Yes, it does.

CONSUMERS ILLINOIS WATER COMPANY - KANKAKEE
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average Life (Yrs.)	ANNUAL EXPENSE (\$)	(%)
304.00	Structures & Improvements	\$18,726		-25%	(\$4,682)	\$23,408	30.0	\$780	4.17%
305.00	Collecting & Impounding Rese								
306.00	Lake, River and Other Intakes	\$94,131		-10%	(\$9,413)	\$103,544	75.0	\$1,381	1.50%
307.00	Wells & Springs	\$28,915				\$28,915	60.0	\$482	1.47%
309.00	Supply Mains			-70%			90.0		1.67%
	SUPPLY PLANT SUBTOTAL	\$141,772	\$0		(\$14,095)	\$155,867		\$2,643	1.89%
	PUMPING PLANT								
304.00	Structures & Improvements	\$526,363		-25%	(\$131,588)	\$657,941	55.0	\$11,963	2.27%
310.00	Power Gen. Equipment	\$248,324				\$248,324	30.0	\$8,277	3.33%
311.20	Electric Pumping Equipment	\$535,535		-25%	(\$133,884)	\$669,419	40.0	\$16,735	3.13%
311.30	Diesel Pumping Equipment								
311.50	Other Pumping Equipment								
	PUMPING PLANT SUBTOTAL	\$1,310,212	\$0		(\$265,472)	\$1,575,684		\$36,976	2.82%
304.00	Structures & Improvements	\$2,986,480		-25%	(\$746,620)	\$3,733,100	45.0	\$82,958	2.78%
320.10	Water Treatment Equipment	\$3,076,205		-25%	(\$769,051)	\$3,845,256	35.0	\$109,864	3.57%
320.20	Chemical Equipment								
	TREATMENT EQUIPMENT SUBTOTAL	\$6,062,685	\$0		(\$1,515,671)	\$7,578,356		\$192,822	3.18%

CONSUMERS ILLINOIS WATER COMPANY - KANKAKEE
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average Life (Yrs.)	ANNUAL EXPENSE (\$)	(%)
304.00	Structures	\$265,610		-25%	(\$66,403)	\$332,013	30.00	\$11,067	4.17%
330.00	Dist. Reservoirs & Standpipes	\$2,395,592				\$2,395,592	60.00	\$39,927	1.67%
331.00	Mains	\$21,236,082		-70%	(\$14,865,257)	\$36,101,339	90.00	\$401,126	1.89%
333.00	Services	\$7,786,055		-100%	(\$7,786,055)	\$15,572,110	60.00	\$259,535	3.33%
334.00	Meter Installation	\$1,383,529		-100%	(\$1,383,529)	\$2,767,058	45.00	\$61,490	4.44%
334.00	Meters	\$2,033,953		13%	\$264,414	\$1,769,539	14.00	\$126,396	6.21%
335.00	Hydrants	\$2,117,020		-70%	(\$1,481,914)	\$3,598,934	43.00	\$83,696	3.95%
339.00	Other Plant								5.46%
		\$37,217,841			(\$25,318,744)	\$62,536,585		\$983,237	2.64%
304.00	Office Structure	\$595,454		0%	\$0	\$595,454	25.00	\$23,818	4.00%
342.00	Stores Equipment	\$830		5%	\$42	\$789	29.00	\$27	3.28%
343.00	Tools, Shop & Garage Equip.	\$421,441		5%	\$21,072	\$400,369	13.00	\$30,798	7.31%
344.00	Laboratory Equip.	\$84,889		0%	\$0	\$84,889	20.00	\$4,244	5.00%
345.00	Power Equipment	\$220,760		50%	\$110,380	\$110,380	10.00	\$11,038	5.00%

CONSUMERS ILLINOIS WATER COMPANY - KANKAKEE
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average Life (Yrs.)	ANNUAL EXPENSE (\$)	(%)
340.01	Office Furniture	\$61,445		10%	\$6,145	\$55,301	19.00	\$2,911	4.74%
340.02	Personal Computers	\$81,108				\$81,108	8.00	\$10,139	12.50%
340.03	PC Software	\$109,696				\$109,696	5.00	\$21,939	20.00%
340.04	MainFrame Computers	\$125,240				\$125,240	8.00	\$15,655	12.50%
340.05	MainFrame Software	\$194,636				\$194,636	8.00	\$24,330	12.50%
340.06	Other Machinery & Equip.	\$110,006				\$110,006	20.00	\$5,500	5.00%
340.00	Transportation	\$693,542		30%	\$208,063	\$485,479	6.50	\$74,689	10.77%
346.00	Communication Equip.	\$229,551				\$229,551	8.00	\$28,694	12.50%
347.00	Misc. Equip.								5.46%
GENERAL PLANT SUBTOTAL		\$2,928,598	\$0		\$345,701	\$2,582,897		\$253,781	8.67%
SUBTOTAL UTILITY PLANT		\$47,661,108	\$0		(\$26,768,281)	\$74,429,389		\$1,469,459	3.08%
301.00	Organization	\$58,733							
302.00	Franchise & Consents	\$12,606							
303.00	Land and Land Rights	\$138,113							
TOTAL		\$209,452							
TOTAL UTILITY PLANT		\$47,870,560	\$0		(\$26,768,281)	\$74,429,389		\$1,469,459	3.07%

Consumers Illinois Water Company - Kankakee

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staff's		PRS. VS. PRO.
			%	Present ANN. EXP.	%	Proposed ANN. EXP.	
304.00	Structures & Improvements	\$18,726	4.17%	\$ 781	4.17%	\$ 781	\$ -
305.00	Collecting & Impounding Reser			\$ -	1.50%	\$ -	\$ -
306.00	Lake, River and Other Intakes	\$94,131	1.47%	\$ 1,384	1.47%	\$ 1,384	\$ -
307.00	Wells & Springs	\$28,915	1.67%	\$ 483	1.67%	\$ 483	\$ -
308.00	Supply Mains				1.89%	\$ -	\$ -
	SUPPLY PLANT SUBTOTAL	\$141,772	1.87%	\$ 2,647	1.87%	\$ 2,647	\$ -
304.00	Structures & Improvements	\$526,353	2.27%	\$ 11,948	2.27%	\$ 11,948	\$ -
310.00	Power Gen. Equipment	\$248,324	3.30%	\$ 8,195	3.33%	\$ 8,269	\$ 74
311.20	Electric Pumping Equipment	\$635,535	3.13%	\$ 16,762	3.13%	\$ 16,762	\$ -
311.30	Diesel Pumping Equipment						
311.50	Other Pumping Equipment						
	PUMPING PLANT SUBTOTAL	\$1,310,212	2.82%	\$ 36,905	2.82%	\$ 36,980	\$ 74
304.00	Structures & Improvements	\$2,988,480	2.73%	\$ 81,531	2.78%	\$ 83,024	\$ 1,493
320.10	Water Treatment Equipment	\$3,076,205	3.57%	\$ 109,821	3.57%	\$ 109,821	\$ -
320.20	Chemical Equipment						
	TREATMENT EQUIPMENT SUBTOTAL	\$6,062,685	3.18%	\$ 191,351	3.18%	\$ 192,845	\$ 1,493

Consumers Illinois Water Company - Kankakee

COMPARISON OF COMPANY'S PRESENT AND STAFFS PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staffs		PRS. VS. PRO.
			%	Present ANN. EXP.	%	Proposed ANN. EXP.	
304.00	Structures	\$265,810	4.17%	\$ 11,078	4.17%	\$ 11,078	-
330.00	Dist Reservoirs & Standpipes	\$2,385,592	1.87%	\$ 40,006	1.87%	\$ 40,006	-
331.00	Mains	\$21,236,082	1.89%	\$ 401,362	1.89%	\$ 401,362	-
333.00	Services	\$7,786,055	3.33%	\$ 258,276	3.33%	\$ 258,276	-
334.00	Meter Installation	\$1,383,528	4.44%	\$ 61,429	4.44%	\$ 61,429	-
334.00	Meters	\$2,033,953	8.21%	\$ 126,308	8.21%	\$ 126,308	-
335.00	Hydrants	\$2,117,020	3.95%	\$ 83,622	3.95%	\$ 83,622	-
339.00	Other Plant		5.46%				-
		\$37,217,841	2.64%	\$983,079	2.64%	\$983,079	-
304.00	Office Structure	\$595,454	4.00%	\$ 23,818	4.00%	\$ 23,818	-
342.00	Stores Equipment	\$830	3.28%	\$ 27	3.28%	\$ 27	-
343.00	Tools, Shop & Garage Equip.	\$421,441	7.31%	\$ 30,807	7.31%	\$ 30,807	-
344.00	Laboratory Equip.	\$84,889	5.00%	\$ 4,244	5.00%	\$ 4,244	-
345.00	Power Equipment	\$220,760	5.00%	\$ 11,038	5.00%	\$ 11,038	-

Consumers Illinois Water Company - Kankakee

Page 3 of 3

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Present ANN. EXP.	Staff's %	Proposed ANN. EXP.	PRS. VS. PRO.
340.00	Office Furniture	\$61,445	4.74%	\$ 2,912	4.74%	\$ 2,912	\$ -
340.01	Personal Computers	\$81,108	0.00%	\$ -	12.50%	\$ 10,139	\$ 10,139
340.02	PC Software	\$109,696	0.00%	\$ -	20.00%	\$ 21,939	\$ 21,939
340.03	MainFrame Computers	\$125,240	0.00%	\$ -	12.50%	\$ 15,655	\$ 15,655
340.04	MainFrame Software	\$194,636	0.00%	\$ -	12.50%	\$ 24,330	\$ 24,330
340.05	Other Machinery & Equip.	\$110,006	0.00%	\$ -	5.00%	\$ 5,500	\$ 5,500
340.00	Transportation	\$693,542	10.77%	\$ 74,694	10.77%	\$ 74,694	\$ -
348.00	Communication Equip.	\$229,551	12.50%	\$ 28,694	12.50%	\$ 28,694	\$ -
347.00	Misc. Equip.		0.00%	\$ -	5.46%	\$ -	\$ -
	GENERAL PLANT SUBTOTAL	\$2,928,588		\$ 176,236		\$ 253,799	\$ 77,563
	SUBTOTAL UTILITY PLANT	\$47,661,108	2.92%	\$1,390,219	3.08%	\$1,469,350	\$ 79,130
301.00	Organization	\$58,733					
302.00	Franchise & Consents	\$12,806					
303.00	Land and Land Rights	\$138,113					
	TOTAL	\$209,452					
	TOTAL UTILITY PLANT	\$47,870,560	2.90%	\$1,390,219	3.07%	\$1,469,350	

Consumers Illinois Water Company - Kankakee

COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staffs		PRO. VS. PRO.
			%	Proposed ANN. EXP.	%	Proposed ANN. EXP.	
304.00	Structures & Improvements	\$18,726	4.17%	\$ 781	4.17%	\$ 781	\$ -
305.00	Collecting & Impounding Reservoirs				1.50%		\$ -
306.00	Lake, River and Other Intake	\$94,131	1.47%	\$ 1,384	1.47%	\$ 1,384	\$ -
307.00	Wells & Springs	\$28,915	1.67%	\$ 483	1.67%	\$ 483	\$ -
309.00	Supply Mains		1.89%		1.89%		\$ -
	PUMP PLANT SUBTOTAL	\$141,772	1.87%	\$ 2,647	1.87%	\$ 2,647	\$ -
304.00	Structures & Improvements	\$526,353	2.27%	\$ 11,948	2.27%	\$ 11,948	\$ -
310.00	Power Gen. Equipment	\$248,324	3.33%	\$ 8,269	3.33%	\$ 8,269	\$ -
311.20	Electric Pumping Equipment	\$535,535	3.13%	\$ 16,762	3.13%	\$ 16,762	\$ -
311.30	Diesel Pumping Equipment						\$ -
311.50	Other Pumping Equipment						\$ -
	PUMPING PLANT SUBTO	\$1,310,212	2.82%	\$ 36,980	2.82%	\$ 36,980	\$ -
304.00	Structures & Improvements	\$2,986,480	2.78%	\$ 83,024	2.78%	\$ 83,024	\$ -
320.10	Water Treatment Equipment	\$3,076,205	3.57%	\$ 109,821	3.57%	\$ 109,821	\$ -
320.20	Chemical Equipment						\$ -
	TREATMENT EQUIPMENT SUBTOTAL	\$6,062,685	3.18%	\$ 192,845	3.18%	\$ 192,845	\$ -

Consumers Illinois Water Company - Kankakee
COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

Page 2 of 3

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staff's		PRS. VS. PRO.
			Present %	ANN. EXP.	Proposed %	ANN. EXP.	
304.00	Structures	\$265,610	4.17%	\$ 11,076	4.17%	\$ 11,076	-
330.00	Dist Reservoirs & Standpipe	\$2,395,592	1.67%	\$ 40,006	1.67%	\$ 40,006	-
331.00	Mains	\$21,236,082	1.89%	\$ 401,362	1.89%	\$ 401,362	-
333.00	Services	\$7,786,055	3.33%	\$ 259,276	3.33%	\$ 259,276	-
334.00	Meter Installation	\$1,383,529	4.44%	\$ 61,429	4.44%	\$ 61,429	-
334.00	Meters	\$2,033,953	6.21%	\$ 126,308	6.21%	\$ 126,308	-
335.00	Hydrants	\$2,117,020	3.95%	\$ 83,622	3.95%	\$ 83,622	-
339.00	Other Plant		5.46%				-
		\$37,217,841	2.64%	\$983,079	2.64%	\$983,079	-
304.00	Office Structure	\$595,454	4.00%	\$ 23,818	4.00%	\$ 23,818	-
342.00	Stores Equipment	\$830	3.28%	\$ 27	3.28%	\$ 27	-
343.00	Tools, Shop & Garage Equip.	\$421,441	7.31%	\$ 30,807	7.31%	\$ 30,807	-
344.00	Laboratory Equip.	\$84,889	5.00%	\$ 4,244	5.00%	\$ 4,244	-
345.00	Power Equipment	\$220,760	5.00%	\$ 11,038	5.00%	\$ 11,038	-

Consumers Illinois Water Company - Kankakee
COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Present ANN. EXP.	Staffs %	Proposed ANN. EXP.	Pro. v. Pro.
GENERAL PLANT							
340.00	Office Furniture	\$61,445	4.74%	\$ 2,912	4.74%	\$ 2,912	\$ -
340.01	Personal Computers	\$81,108	20.00%	\$ 16,222	12.50%	\$ 10,139	\$ (6,083)
340.02	PC Software	\$109,696	20.00%	\$ 21,939	20.00%	\$ 21,939	\$ -
340.03	MainFrame Computers	\$125,240	20.00%	\$ 25,048	12.50%	\$ 15,655	\$ (9,393)
340.04	MainFrame Software	\$194,636	20.00%	\$ 38,927	12.50%	\$ 24,330	\$ (14,598)
340.05	Other Machinery & Equip.	\$110,006	20.00%	\$ 22,001	5.00%	\$ 5,500	\$ (16,501)
GENERAL PLANT SUBTOTAL							
		\$693,542	10.77%	\$ 74,694	10.77%	\$ 74,694	\$ -
TRANSPORTATION							
340.00	Transportation	\$229,551	12.50%	\$ 28,694	12.50%	\$ 28,694	\$ -
347.00	Misc. Equip.		0.00%	\$ -	5.46%		\$ -
GENERAL PLANT SUBTOTAL							
		\$2,928,598		\$ 300,373		\$ 253,799	\$ (46,575)
SUBTOTAL UTILITY PLANT							
		\$47,661,108	3.18%	\$1,515,924	3.08%	\$1,469,350	\$ (46,575)
INVESTMENT							
301.00	Organization	\$58,733					
302.00	Franchise & Consents	\$12,606					
303.00	Land and Land Rights	\$138,113					
TOTAL							
		\$209,452					
TOTAL UTILITY PLANT							
		\$47,870,560	3.18%	\$1,515,924	3.08%	\$1,469,350	

CONSUMERS ILLINOIS WATER COMPANY - Woodhaven
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average LIFE (Yrs.)	ANNUAL EXPENSE (\$)	(%)
304.00	Structures & Improvements	\$54,636		-25%	(\$13,659)	\$68,295	30.0	\$2,277	4.17%
305.00	Collecting & Impounding Rese			0%	\$0	\$0		\$0	1.50%
306.00	Lake, River and Other Intakes			-10%	\$0	\$0	75.0	\$0	1.47%
307.00	Wells & Springs	\$277,100		0%	\$0	\$277,100	60.0	\$4,618	1.67%
309.00	Supply Mains	\$21,812		-70%	(\$15,268)	\$37,080	90.0	\$412	1.89%
	SUPPLY PLANT SUBTOTAL	\$353,548			(\$28,927)	\$382,475		\$7,307	2.07%
304.00	Structures & Improvements	\$1,633		-25%	(\$408)	\$2,041	55.0	\$37	2.27%
310.00	Power Gen. Equipment	\$94,852		0%		\$94,852	30.0	\$3,162	3.33%
311.20	Electric Pumping Equipment	\$257,833		-25%	(\$64,458)	\$322,291	40.0	\$8,057	3.13%
311.30	Diesel Pumping Equipment								
311.50	Other Pumping Equipment								
	PUMPING PLANT SUBTOTAL	\$354,318			(\$64,867)	\$419,185		\$11,256	3.18%
304.00	Structures & Improvements	\$48,447		-25%	(\$12,112)	\$60,559	45.0	\$1,346	2.78%
320.10	Water Treatment Equipment	\$248,786		-25%	(\$62,197)	\$310,983	35.0	\$8,885	3.57%
320.20	Chemical Equipment								
	TREATMENT EQUIPMENT SUBTOTAL	\$297,233	\$0		(\$74,308)	\$371,541		\$10,231	3.44%

CONSUMERS ILLINOIS WATER COMPANY - Woodhaven
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	NET SALVAGE AMOUNT (\$)	UNRECOVERED COST (\$)	Average LIFE (Yrs.)	ANNUAL EXPENSE (\$)	ANNUAL EXPENSE (%)
304.00	Structures	\$997		-25%	(\$249)	\$1,246	30.00	\$42	4.17%
330.00	Dist. Reservoirs & Standpipes	\$207,078				\$207,078	60.00	\$3,451	1.67%
331.00	Mains	\$1,213,305		-70%	(\$849,314)	\$2,062,619	90.00	\$22,918	1.89%
333.00	Services	\$736,986		-100%	(\$736,986)	\$1,473,972	60.00	\$24,566	3.33%
334.00	Meter Installation	\$5,226		-100%	(\$5,226)	\$10,452	45.00	\$232	4.44%
334.00	Meters	\$14,160		13%	\$1,841	\$12,319	14.00	\$880	6.21%
335.00	Hydrants	\$59,678		-70%	(\$41,775)	\$101,453	43.00	\$2,359	3.95%
339.00	Other Plant	\$2,734		0%		\$2,734	18.30	\$149	5.46%
		\$2,240,164			(\$1,631,709)	\$3,871,873		\$54,598	2.44%
304.00	Office Structure	\$189,628		0%	\$0	\$189,628	25.00	\$7,585	4.00%
342.00	Stores Equipment	\$0		5%	\$0	\$0	29.00		3.28%
343.00	Tools, Shop & Garage Equip.	\$33,247		5%	\$1,662	\$31,585	13.00	\$2,430	7.31%
344.00	Laboratory Equip.	\$5,167		0%	\$0	\$5,167	20.00	\$258	5.00%
345.00	Power Equipment	\$103,917		50%	\$51,959	\$51,959	10.00	\$5,196	5.00%

CONSUMERS ILLINOIS WATER COMPANY - Woodhaven
 AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average Life (Yrs.)	ANNUAL EXPENSE	
								(\$)	(%)
340.01	Office Furniture	\$21,612		10%	\$2,161	\$19,451	19.00	\$1,024	4.74%
340.02	Personal Computers	\$75,069				\$75,069	8.00	\$9,384	12.50%
340.03	PC Software	\$31,261				\$31,261	5.00	\$6,252	20.00%
340.04	Mainframe Computers	\$32,504				\$32,504	8.00	\$4,063	12.50%
340.05	Mainframe Software	\$75,126				\$75,126	8.00	\$9,391	12.50%
340.06	Other Machinery & Equip.	\$50,539				\$50,539	20.00	\$2,527	5.00%
340.00	Transportation	\$64,480		30%	\$19,344	\$45,136	6.50	\$6,944	10.77%
346.00	Communication Equip.	\$91,142				\$91,142	8.00	\$11,393	12.50%
347.00	Misc. Equip.	\$2,027		0%	\$0	\$2,027	18.30	\$111	5.46%
GENERAL PLANT SUBTOTAL		\$775,719	\$0		\$21,505	\$422,255		\$66,557	8.58%
SUBTOTAL UTILITY PLANT		\$4,020,982	\$0		(\$1,778,306)	\$5,467,329		\$149,949	3.73%
301.00	Organization	\$4,062							
302.00	Franchise & Consents	\$38,774							
303.00	Land and Land Rights	\$14,776							
TOTAL		\$57,612							
TOTAL UTILITY PLANT		\$4,078,594	\$0		(\$1,778,306)	\$5,467,329		\$149,949	3.68%

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staff's		PRS. VS. PRO.
			%	Present ANN. EXP.	%	Proposed ANN. EXP.	
304.00	Structures & Improvements	\$54,636	2.00%	\$ 1,093	4.17%	\$ 2,278	\$ 1,186
305.00	Collecting & Impounding Reser		2.00%	\$ -	1.50%	\$ -	\$ -
306.00	Lake, River and Other Intakes		2.00%	\$ -	1.47%	\$ -	\$ -
307.00	Wells & Springs	\$277,100	2.00%	\$ 5,542	1.67%	\$ 4,628	\$ (914)
308.00	Supply Mains	\$21,812	2.00%	\$ 436	1.89%	\$ 412	\$ (24)
	SUPPLY PLANT SUBTOTAL	\$353,548	2.00%	\$ 7,071	2.07%	\$ 7,318	\$ 247
304.00	Structures & Improvements	\$1,633	2.00%	\$ 33	2.27%	\$ 37	\$ 4
310.00	Power Gen. Equipment	\$94,852	2.00%	\$ 1,897	3.33%	\$ 3,159	\$ 1,262
311.20	Electric Pumping Equipment	\$257,833	2.00%	\$ 5,157	3.13%	\$ 8,070	\$ 2,914
311.30	Diesel Pumping Equipment						\$ -
311.50	Other Pumping Equipment						\$ -
	PUMPING PLANT SUBTOTAL	\$354,318	2.00%	\$ 7,086	3.18%	\$ 11,266	\$ 4,179
304.00	Structures & Improvements	\$48,447	2.00%	\$ 969	2.78%	\$ 1,347	\$ 378
320.10	Water Treatment Equipment	\$248,786	2.00%	\$ 4,976	3.57%	\$ 8,882	\$ 3,906
320.20	Chemical Equipment			\$ -		\$ -	\$ -
	TREATMENT EQUIPMENT SUBTOTAL	\$297,233	2.00%	\$ 5,945	3.44%	\$ 10,228	\$ 4,284

Consumers Illinois Water Company - Woodhaven

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company Present		Staffs Proposed		PERS. VS. PRO.
			%	ANN. EXP.	%	ANN. EXP.	
304.00	Structures	\$987	2.00%	\$ 20	4.17%	\$ 42	\$ 22
330.00	Dist. Reservoirs & Standpipes	\$207,078	2.00%	\$ 4,142	1.67%	\$ 3,458	\$ (683)
331.00	Mains	\$1,213,305	2.00%	\$ 24,266	1.89%	\$ 22,931	\$ (1,335)
333.00	Services	\$736,986	2.00%	\$ 14,740	3.33%	\$ 24,542	\$ 9,802
334.00	Meter Installation	\$5,226	2.00%	\$ 105	4.44%	\$ 232	\$ 128
334.00	Meters	\$14,160	2.00%	\$ 283	6.21%	\$ 879	\$ 596
335.00	Hydrants	\$59,678	2.00%	\$ 1,194	3.95%	\$ 2,357	\$ 1,164
339.00	Other Plant	\$2,734	2.00%	\$ 55	5.46%	\$ 149	\$ 95
		\$2,240,164	134.76%	\$44,803	184.20%	\$54,591	\$ 9,693
304.00	Office Structure	\$189,628	2.00%	\$ 3,793	4.00%	\$ 7,585	\$ 3,793
342.00	Stores Equipment	\$0	2.00%	\$ -	3.28%	\$ -	\$ -
343.00	Tools, Shop & Garage Equip.	\$33,247	2.00%	\$ 665	7.31%	\$ 2,430	\$ 1,555
344.00	Laboratory Equip.	\$5,167	2.00%	\$ 103	5.00%	\$ 258	\$ 155
345.00	Power Equipment	\$103,917	2.00%	\$ 2,078	5.00%	\$ 5,196	\$ 3,118

Consumers Illinois Water Company - Woodhaven

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Present ANN. EXP.	Staff's %	Proposed ANN. EXP.	PRS. VS. PRO.
340.00	Office Furniture	\$21,612	2.00%	\$ 432	4.74%	\$ 1,024	\$ 592
340.01	Personal Computers	\$75,069	2.00%	\$ 1,501	12.50%	\$ 9,384	\$ 7,882
340.02	PC Software	\$31,261	2.00%	\$ 625	20.00%	\$ 6,252	\$ 5,627
340.03	Mainframe Computers	\$32,504	2.00%	\$ 650	12.50%	\$ 4,063	\$ 3,413
340.04	Mainframe Software	\$75,126	2.00%	\$ 1,503	12.50%	\$ 9,391	\$ 7,888
340.05	Other Machinery & Equip.	\$50,539	2.00%	\$ 1,011	5.00%	\$ 2,527	\$ 1,516
340.00	Transportation	\$84,480	2.00%	\$ 1,280	10.77%	\$ 6,944	\$ 5,655
346.00	Communication Equip.	\$91,142	2.00%	\$ 1,823	12.50%	\$ 11,393	\$ 9,570
347.00	Misc. Equip.	\$2,027	2.00%	\$ 41	5.46%	\$ 111	\$ 70
	GENERAL PLANT SUBTOTAL	\$775,719	2.00%	\$ 15,514	8.58%	\$ 66,559	\$ 49,279
	SUBTOTAL UTILITY PLANT	\$4,020,982					
301.00	Organization	\$4,062					
302.00	Franchise & Consents	\$38,774					
303.00	Land and Land Rights	\$14,776					
	TOTAL	\$67,612					
	TOTAL UTILITY PLANT	\$4,078,594	1.97%	\$ 80,420	3.68%	\$ 149,962	\$ 69,542

Consumers Illinois Water Company - Woodhaven

COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Proposed		PRO. vs. PRO.
			%	ANN. EXP.	%	ANN. EXP.	
304.00	Structures & Improvements	\$54,636	4.17%	\$ 2,278	4.17%	\$ 2,278	\$ -
305.00	Collecting & Impounding Reservoirs			\$ -	1.50%	\$ -	\$ -
306.00	Lake, River and Other Intake		1.47%	\$ -	1.47%	\$ -	\$ -
307.00	Wells & Springs	\$277,100	1.67%	\$ 4,628	1.67%	\$ 4,628	\$ -
309.00	Supply Mains	\$21,812	1.89%	\$ 412	1.89%	\$ 412	\$ -
	SUPPLY PLANT SUBTOTAL	\$353,548	2.07%	\$ 7,318	2.07%	\$ 7,318	
304.00	Structures & Improvements	\$1,633	2.27%	\$ 37	2.27%	\$ 37	\$ -
310.00	Power Gen. Equipment	\$94,852	3.33%	\$ 3,159	3.33%	\$ 3,159	\$ -
311.20	Electric Pumping Equipment	\$257,833	3.13%	\$ 8,070	3.13%	\$ 8,070	\$ -
311.30	Diesel Pumping Equipment						
311.50	Other Pumping Equipment						
	PUMPING PLANT SUBTO	\$354,318	3.18%	\$ 11,266	3.18%	\$ 11,266	
304.00	Structures & Improvements	\$48,447	2.78%	\$ 1,347	2.78%	\$ 1,347	\$ -
320.10	Water Treatment Equipment	\$248,786	3.57%	\$ 8,862	3.57%	\$ 8,862	\$ -
320.20	Chemical Equipment			\$ -		\$ -	\$ -
	TREATMENT EQUIPMENT SUBTOTAL	\$297,233	3.44%	\$ 10,228	3.44%	\$ 10,228	

Consumers Illinois Water Company - Woodhaven

COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Proposed		Staff's		Proposed		
			%	ANN. EXP.	%	ANN. EXP.	%	ANN. EXP.			
304.00	Structures	\$997	4.17%	\$ 42	4.17%	\$ 42	\$ -	-			
330.00	Dist Reservoirs & Standpipe	\$207,078	1.67%	\$ 3,458	1.67%	\$ 3,458	\$ -	-			
331.00	Mains	\$1,213,305	1.89%	\$ 22,931	1.89%	\$ 22,931	\$ -	-			
333.00	Services	\$736,986	3.33%	\$ 24,542	3.33%	\$ 24,542	\$ -	-			
334.00	Meter Installation	\$5,226	4.44%	\$ 232	4.44%	\$ 232	\$ -	-			
334.00	Meters	\$14,160	6.21%	\$ 879	6.21%	\$ 879	\$ -	-			
335.00	Hydrants	\$59,678	3.95%	\$ 2,357	3.95%	\$ 2,357	\$ -	-			
339.00	Other Plant	\$2,734	5.46%	\$ 149	5.46%	\$ 149	\$ -	-			
		\$2,240,164	164.20%	\$54,591	164.20%	\$54,591					
GENERAL											
304.00	Office Structure	\$189,628	4.00%	\$ 7,585	4.00%	\$ 7,585	\$ -	-			
342.00	Stores Equipment	\$0	3.28%	\$ -	3.28%	\$ -	\$ -	-			
343.00	Tools, Shop & Garage Equip	\$33,247	7.31%	\$ 2,430	7.31%	\$ 2,430	\$ -	-			
344.00	Laboratory Equip.	\$5,167	5.00%	\$ 258	5.00%	\$ 258	\$ -	-			
345.00	Power Equipment	\$103,917	5.00%	\$ 5,196	5.00%	\$ 5,196	\$ -	-			

Consumers Illinois Water Company - Woodhaven
COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Proposed ANN. EXP.	Staff's %	Proposed ANN. EXP.	
340.00	Office Furniture	\$21,612	4.74%	\$ 1,024	4.74%	\$ 1,024	\$ -
340.01	Personal Computers	\$75,069	20.00%	\$ 15,014	12.50%	\$ 9,384	\$ (5,630)
340.02	PC Software	\$31,261	20.00%	\$ 6,252	20.00%	\$ 6,252	\$ -
340.03	Mainframe Computers	\$32,504	20.00%	\$ 6,501	12.50%	\$ 4,063	\$ (2,438)
340.04	Mainframe Software	\$75,126	20.00%	\$ 15,025	12.50%	\$ 9,391	\$ (5,634)
340.05	Other Machinery & Equip.	\$50,539	20.00%	\$ 10,108	5.00%	\$ 2,527	\$ (7,581)
340.00	Transportation	\$64,480	10.77%	\$ 6,944	10.77%	\$ 6,944	\$ -
346.00	Communication Equip.	\$91,142	12.50%	\$ 11,393	12.50%	\$ 11,393	\$ -
347.00	Misc. Equip.	\$2,027	5.46%	\$ 111	5.46%	\$ 111	\$ -
	GENERAL PLANT SUBTOTAL	\$775,719	11.32%	\$ 87,842	8.58%	\$ 66,559	\$ (21,283)
	SUBTOTAL UTILITY PLANT	\$ 4,020,982		\$ 171,245	3.73%	\$ 149,962	\$ (21,283)
301.00	Organization	\$4,062					
302.00	Franchise & Consents	\$38,774					
303.00	Land and Land Rights	\$14,776					
	TOTAL	\$57,612					
	TOTAL UTILITY PLANT	\$ 4,078,594	4.20%	\$171,245	3.68%	\$149,962	

CONSUMERS ILLINOIS WATER COMPANY - Vermilion
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average LIFE (Yrs.)	ANNUAL EXPENSE (\$)	(%)
304.00	Structures & Improvements	\$133,242		-25%	(\$33,311)	\$166,553	30.0	\$5,552	4.17%
305.00	Collecting & Impounding Rese	\$1,377,899				\$1,377,899	66.5	\$20,720	1.50%
306.00	Lake, River and Other Intakes	\$734,325		-10%	(\$73,433)	\$807,758	75.0	\$10,770	1.47%
307.00	Wells & Springs	\$162,783				\$162,783	60.0	\$2,713	1.67%
309.00	Supply Mains	\$249,416		-70%	(\$174,591)	\$424,007	90.0	\$4,711	1.89%
	SUPPLY PLANT SUBTOTAL	\$2,657,665			(\$281,334)	\$2,938,999		\$44,466	1.67%
304.00	Structures & Improvements	\$293,427		-25%	(\$73,357)	\$366,784	55.0	\$6,669	2.27%
310.00	Power Gen. Equipment	\$201,039				\$201,039	30.0	\$6,701	3.33%
311.20	Electric Pumping Equipment	\$1,417,183		-25%	(\$354,296)	\$1,771,479	40.0	\$44,287	3.13%
311.30	Diesel Pumping Equipment								
311.50	Other Pumping Equipment								
	PUMPING PLANT SUBTOTAL	\$1,911,649			(\$427,653)	\$2,339,302		\$67,657	3.02%
304.00	Structures & Improvements	\$11,447,715		-25%	(\$2,861,929)	\$14,309,644	45.0	\$317,992	2.78%
320.10	Water Treatment Equipment	\$8,043,360		-25%	(\$2,010,840)	\$10,054,200	35.0	\$287,263	3.57%
320.20	Chemical Equipment								
	TREATMENT EQUIPMENT SUBTOTAL	\$19,491,075	\$0		(\$4,872,769)	\$24,363,844		\$805,255	3.11%

CONSUMERS ILLINOIS WATER COMPANY - Vermilion
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average LIFE (Yrs.)	ANNUAL EXPENSE (\$)	(%)
304.00	Structures	\$289,817		-25%	(\$67,454)	\$337,271	30.00	\$11,242	4.17%
330.00	Dist Reservoirs & Standpipes	\$1,980,622				\$1,980,622	60.00	\$33,010	1.67%
331.00	Mains	\$14,318,915		-70%	(\$10,023,241)	\$24,342,156	90.00	\$270,468	1.89%
333.00	Services	\$5,215,028		-100%	(\$5,215,028)	\$10,430,056	60.00	\$173,834	3.33%
334.00	Meter Installation	\$69,128		-100%	(\$69,128)	\$138,256	45.00	\$3,072	4.44%
334.00	Meters	\$2,981,513		13%	\$387,597	\$2,593,916	14.00	\$185,280	6.21%
335.00	Hydrants	\$1,750,502		-70%	(\$1,225,351)	\$2,975,853	43.00	\$69,206	3.95%
339.00	Other Plant								5.46%
		\$26,585,525			(\$16,212,605)	\$42,798,130		\$746,113	2.81%
304.00	Office Structure	\$958,631		0%	\$0	\$958,631	25.00	\$38,345	4.00%
342.00	Stores Equipment	\$37,232		5%	\$1,862	\$35,370	29.00	\$1,220	3.28%
343.00	Tools, Shop & Garage Equip.	\$361,645		5%	\$18,082	\$343,563	13.00	\$26,428	7.31%
344.00	Laboratory Equip.	\$111,693		0%	\$0	\$111,693	20.00	\$5,585	5.00%
345.00	Power Equipment	\$139,782		50%	\$69,891	\$69,891	10.00	\$6,989	5.00%

CONSUMERS ILLINOIS WATER COMPANY - Vermilion
AVERAGE SERVICE LIFE METHOD

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	DEPRECIATION RESERVE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	Average LIFE (Yrs.)	ANNUAL EXPENSE (\$)	(%)
340.01	Office Furniture	\$172,940		10%	\$17,294	\$155,646	19.00	\$8,192	4.74%
340.02	Personal Computers	\$370,069				\$370,069	8.00	\$46,259	12.50%
340.03	PC Software	\$198,745				\$198,745	5.00	\$39,749	20.00%
340.04	Mainframe Computers	\$94,064				\$94,064	8.00	\$11,758	12.50%
340.05	Mainframe Software	\$166,707				\$166,707	8.00	\$20,838	12.50%
340.06	Other Machinery & Equip.	\$125,524				\$125,524	20.00	\$6,276	5.00%
340.00	Transportation	\$760,906		30%	\$228,272	\$532,634	6.50	\$81,944	10.77%
346.00	Communication Equip.	\$124,138				\$124,138	8.00	\$15,517	12.50%
347.00	Misc. Equip.	\$167,828				\$167,828	18.30	\$9,171	5.46%
	GENERAL PLANT SUBTOTAL	\$3,789,904	\$0		\$245,566	\$1,935,355		\$318,271	8.40%
	SUBTOTAL UTILITY PLANT	\$54,435,818	\$0		(\$6,334,328)	\$31,612,870		\$1,771,762	3.25%
301.00	Organization	\$6,248							
302.00	Franchise & Consents	\$133,112							
303.00	Land and Land Rights	\$968,622							
	TOTAL	\$1,107,982							
	TOTAL UTILITY PLANT	\$55,543,800	\$0		(\$5,334,328)	\$31,612,870		\$1,771,762	3.19%

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company Present		Staff's Proposed		PRG. VS. PRO.
			%	ANN. EXP.	%	ANN. EXP.	
304.00	Structures & Improvements	\$133,242	2.09%	\$ 2,785	4.17%	\$ 5,556	\$ 2,771
305.00	Collecting & Impounding Reser	\$1,377,899	1.50%	\$ 20,668	1.50%	\$ 20,668	\$ -
306.00	Lake, River and Other Intakes	\$734,325	2.11%	\$ 15,494	1.47%	\$ 10,795	\$ (4,700)
307.00	Wells & Springs	\$162,783	3.10%	\$ 5,046	1.67%	\$ 2,718	\$ (2,328)
309.00	Supply Mains	\$248,416	1.64%	\$ 4,090	1.89%	\$ 4,714	\$ 624
	SUPPLY PLANT SUBTOTAL	\$2,657,665	1.81%	\$ 48,084	1.67%	\$ 44,452	\$ (3,633)
304.00	Structures & Improvements	\$293,427	2.09%	\$ 6,133	2.27%	\$ 6,861	\$ 528
310.00	Power Gen. Equipment	\$201,039	5.32%	\$ 10,895	3.33%	\$ 6,895	\$ (4,001)
311.20	Electric Pumping Equipment	\$1,417,183	2.61%	\$ 36,988	3.13%	\$ 44,358	\$ 7,369
311.30	Diesel Pumping Equipment						\$ -
311.50	Other Pumping Equipment						\$ -
	PUMPING PLANT SUBTOTAL	\$1,911,649	2.82%	\$ 53,816	3.02%	\$ 57,713	\$ 3,897
304.00	Structures & Improvements	\$11,447,715	2.09%	\$ 239,257	2.78%	\$ 318,246	\$ 78,989
320.10	Water Treatment Equipment	\$6,043,360	3.54%	\$ 284,735	3.57%	\$ 287,148	\$ 2,413
320.20	Chemical Equipment			\$ -		\$ -	\$ -
	TREATMENT EQUIPMENT SUBTOTAL	\$19,491,075	2.69%	\$ 523,992	3.11%	\$ 605,394	\$ 81,402

Consumers Illinois Water Company - Vermillion

Page 2 of 3

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Staff's		PRS. VS. PRO.
			%	Present ANN. EXP.	%	Proposed ANN. EXP.	
304.00	Structures	\$269,817	2.09%	\$ 5,639	4.17%	\$ 11,251	\$ 5,612
330.00	Dist. Reservoirs & Standpipes	\$1,980,822	2.16%	\$ 42,781	1.67%	\$ 33,076	\$ (9,705)
331.00	Mains	\$14,318,915	2.24%	\$ 320,744	1.89%	\$ 270,627	\$ (50,116)
333.00	Services	\$5,215,028	2.38%	\$ 124,118	3.33%	\$ 173,660	\$ 49,543
334.00	Meter Installation	\$69,128	4.44%	\$ 3,069	4.44%	\$ 3,069	\$ -
334.00	Meters	\$2,981,513	3.36%	\$ 100,179	6.21%	\$ 185,152	\$ 84,973
335.00	Hydants	\$1,750,502	2.17%	\$ 37,986	3.95%	\$ 69,145	\$ 31,159
339.00	Other Plant				5.46%		
		\$26,586,525	175.45%	\$634,516	208.27%	\$745,982	\$ 111,466
304.00	Office Structure	\$958,631	2.08%	\$ 20,035	4.00%	\$ 38,345	\$ 18,310
342.00	Stores Equipment	\$37,232	5.22%	\$ 1,944	3.28%	\$ 1,221	\$ (722)
343.00	Tools, Shop & Garage Equip.	\$361,645	5.59%	\$ 20,216	7.31%	\$ 26,436	\$ 6,220
344.00	Laboratory Equip.	\$111,693	24.69%	\$ 27,577	5.00%	\$ 5,585	\$ (21,992)
345.00	Power Equipment	\$139,782	45.16%	\$ 63,126	5.00%	\$ 8,989	\$ (55,136)

Consumers Illinois Water Company - Vermillion

COMPARISON OF COMPANY'S PRESENT AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Present ANN. EXP.	Staff's %	Proposed ANN. EXP.	PRS. VS. PRO.
340.00	Office Furniture	\$172,940	5.73%	\$ 9,909	4.74%	\$ 8,197	\$ (1,712)
340.01	Personal Computers	\$370,069	33.81%	\$ 125,120	12.50%	\$ 46,259	\$ (78,862)
340.02	P.C. Software	\$198,745	33.81%	\$ 67,196	20.00%	\$ 39,749	\$ (27,447)
340.03	MainFrame Computers	\$84,064	33.81%	\$ 31,803	12.50%	\$ 11,758	\$ (20,045)
340.04	MainFrame Software	\$166,707	33.81%	\$ 56,364	12.50%	\$ 20,838	\$ (35,525)
340.05	Other Machinery & Equip.	\$125,524	33.81%	\$ 42,440	5.00%	\$ 6,276	\$ (36,163)
340.00	Transportation	\$760,906	14.30%	\$ 108,810	10.77%	\$ 81,950	\$ (26,860)
346.00	Communication Equip.	\$124,138	2.62%	\$ 3,252	12.50%	\$ 15,517	\$ 12,265
347.00	Misc. Equip.	\$167,828	5.46%	\$ 9,163	5.46%	\$ 9,163	\$ -
	GENERAL PLANT SUBTOTAL	\$3,789,904		\$ 586,955		\$ 318,284	\$ (268,670)
	SUBTOTAL UTILITY PLANT	\$54,435,818	3.39%	\$1,847,363	3.25%	\$1,771,825	\$ (75,538)
301.00	Organization	\$6,248					
302.00	Franchise & Consents	\$133,112					
303.00	Land and Land Rights	\$868,622					
	TOTAL	\$1,107,982					
	TOTAL UTILITY PLANT	\$55,543,800	3.33%	\$1,847,363	3.19%	\$1,771,825	\$ (75,538)

Consumers Illinois Water Company - Vermillion

COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Proposed ANN. EXP.	Staff's %	Proposed ANN. EXP.	PRS. VS. PRO.
304.00	Structures & Improvements	\$133,242	4.17%	\$ 5,556	4.17%	\$ 5,556	-
305.00	Collecting & Impounding Res.	\$1,377,899	1.50%	\$ 20,668	1.50%	\$ 20,668	-
306.00	Lake, River and Other Intak	\$734,325	1.47%	\$ 10,795	1.47%	\$ 10,795	-
307.00	Wells & Springs	\$162,783	1.67%	\$ 2,718	1.67%	\$ 2,718	-
309.00	Supply Mains	\$249,416	1.89%	\$ 4,714	1.89%	\$ 4,714	-
	SUPPLY PLANT SUBTOTAL	\$2,657,665	1.67%	\$ 44,452	1.67%	\$ 44,452	-
	PUMPING PLANT						
304.00	Structures & Improvements	\$283,427	2.27%	\$ 6,661	2.27%	\$ 6,661	-
310.00	Power Gen. Equipment	\$201,039	3.33%	\$ 6,695	3.33%	\$ 6,695	-
311.20	Electric Pumping Equipment	\$1,417,183	3.13%	\$ 44,358	3.13%	\$ 44,358	-
311.30	Diesel Pumping Equipment						-
311.50	Other Pumping Equipment						-
	PUMPING PLANT SUBTO	\$1,911,649	3.02%	\$ 57,713	3.02%	\$ 57,713	-
304.00	Structures & Improvements	\$11,447,715	2.78%	\$ 318,246	2.78%	\$ 318,246	-
320.10	Water Treatment Equipment	\$8,043,360	3.57%	\$ 287,148	3.57%	\$ 287,148	-
320.20	Chemical Equipment			\$ -		\$ -	-
	TREATMENT EQUIPMENT SUBTOTAL	\$19,491,075	3.11%	\$ 605,394	3.11%	\$ 605,394	-

Consumers Illinois Water Company - Vermillion

COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company		Proposed		Staff's		PKS. VS. PRO.
			%	ANN. EXP.	%	ANN. EXP.	%	ANN. EXP.	
304.00	Structures	\$269,817	4.17%	\$ 11,251	4.17%	\$ 11,251			-
330.00	Dist. Reservoirs & Standpip	\$1,980,622	1.67%	\$ 33,076	1.67%	\$ 33,076			-
331.00	Mains	\$14,318,915	1.89%	\$ 270,627	1.89%	\$ 270,627			-
333.00	Services	\$5,215,028	3.33%	\$ 173,660	3.33%	\$ 173,660			-
334.00	Meter Installation	\$69,128	4.44%	\$ 3,069	4.44%	\$ 3,069			-
334.00	Meters	\$2,981,513	6.21%	\$ 185,152	6.21%	\$ 185,152			-
335.00	Hydrants	\$1,750,502	3.95%	\$ 69,145	3.95%	\$ 69,145			-
339.00	Other Plant		5.46%		5.46%				-
		\$26,585,525	206.27%	\$745,982	206.27%	\$745,982			-
304.00	Office Structure	\$958,631	4.00%	\$ 38,345	4.00%	\$ 38,345			-
342.00	Stores Equipment	\$37,232	3.28%	\$ 1,221	3.28%	\$ 1,221			-
343.00	Tools, Shop & Garage Equip.	\$361,645	7.31%	\$ 26,436	7.31%	\$ 26,436			-
344.00	Laboratory Equip.	\$111,693	5.00%	\$ 5,585	5.00%	\$ 5,585			-
345.00	Power Equipment	\$139,782	5.00%	\$ 6,989	5.00%	\$ 6,989			-

Consumers Illinois Water Company - Vermilion
COMPARISON OF COMPANY'S PROPOSED AND STAFF'S PROPOSED DEPRECIATION RATES
Page 3 of 3

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	Company %	Proposed ANN. EXP.	Staff's %	Proposed ANN. EXP.	PRS. VS. PRO.
340.00	Office Furniture	\$172,940	4.74%	\$ 8,197	4.74%	\$ 8,197	\$ -
340.01	Personal Computers	\$370,069	20.00%	\$ 74,014	12.50%	\$ 46,259	\$ (27,755)
340.02	PC Software	\$198,745	20.00%	\$ 39,749	20.00%	\$ 39,749	\$ -
340.03	MainFrame Computers	\$94,064	20.00%	\$ 18,813	12.50%	\$ 11,758	\$ (7,055)
340.04	MainFrame Software	\$166,707	20.00%	\$ 33,341	12.50%	\$ 20,838	\$ (12,503)
340.05	Other Machinery & Equip.	\$125,524	20.00%	\$ 25,105	5.00%	\$ 6,276	\$ (18,829)
340.00	Transportation	\$760,906	10.77%	\$ 81,950	10.77%	\$ 81,950	\$ -
346.00	Communication Equip.	\$124,138	12.50%	\$ 15,517	12.50%	\$ 15,517	\$ -
347.00	Misc. Equip.	\$167,828	5.46%	\$ 9,163	5.46%	\$ 9,163	\$ -
GENERAL PLANT SUBTOTAL		\$3,789,904		\$ 384,426		\$ 318,284	
SUBTOTAL UTILITY PLANT		\$54,435,818	3.38%	\$1,837,967	3.25%	\$1,771,825	\$ (66,142)
301.00	Organization	\$6,248					
302.00	Franchise & Consents	\$133,112					
303.00	Land and Land Rights	\$968,622					
TOTAL		\$1,107,982					
TOTAL UTILITY PLANT		\$54,435,818	3.38%	\$1,837,967	3.25%	\$1,771,825	